

FISCAL NOTE

HB 2136 - SB 2343

January 26, 2000

SUMMARY OF BILL: Eliminates option for the Comptroller of the Treasury to accept an audit of a county made by an independent certified public accountant or licensed public accountant employed at the expense of the county thus requiring the Comptroller of the Treasury to audit all 95 counties. Counties currently audited by independent certified public accountants are: Davidson, Hamblen, Hamilton, Knox, McMinn, Shelby, Sumner, and Washington.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$1,773,800 Recurring
\$75,000 One-Time
Increase State Revenues - \$505,543

Decrease Local Govt. Expenditures - Net Impact - \$778,172

Assumes:

- 30 new positions in the Comptroller's office with annual salary and benefits estimated at approximately \$1,580,000.
- recurring operating expenses in the Comptroller's office for travel, training and printing costs of approximately \$193,800.
- one-time state expenditures of \$75,000 for equipment for Comptroller's staff.
- recurring increase in state revenues of \$505,543 from the statutorily determined audit fees charged to the counties at a rate of 22.5 cents per capita. The population of the affected counties is 2,246,858.
- a decrease in local government expenditures from the difference between the audit fees the affected counties were paying independent accountants and those charged by the Comptroller's office. The total audit fees for the affected counties for the last audit period were \$1,283,715 resulting in a recurring net decrease for the counties of \$778,172.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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